

ORIGINAL

OPEN MEETING AGENDA ITEM



***Tucson Electric Power Company***

One South Church, P.O. Box 711  
Tucson, AZ 85702

March 18, 2010

Docket Control  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

Re: Correction to Partial Requirements Service Pricing Plans  
Docket Nos. E-01933A-07-0402 and E-01933A-05-0650

Tucson Electric Power Company ("TEP") hereby submits redlined and clean copies of the following Pricing Plans: i) PRS-10 (Experimental) Partial Requirements Service Less Than 200 kW, ii) PRS-13 (Experimental) Partial Requirements Service From 200 kW to Less Than 3,000 kW, and iii) PRS-14 (Experimental) Partial Requirements Service 3,000 kW and Greater. These Pricing Plans did not have the 6.1% increase applied to them as granted in the 2008 TEP Proposed Settlement Agreement and approved by ACC Decision No. 70628 (December 1, 2008). There are currently no customers on the Pricing Plans. The clean copies of the Pricing Plans that are attached, correct the error.

If you have any questions, please contact me at (520) 884-3680.

Sincerely,

Jessica Bryne  
Regulatory Services

cc: Barbara Keene, ACC

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AZ CORP COMMISSION  
DOCKET CONTROL

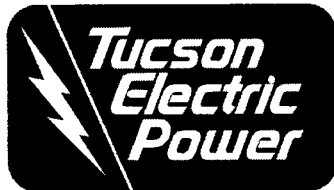
Arizona Corporation Commission  
**DOCKETED**

MAR 18 2010



**REDLINED**

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by [illegible]



## Pricing Plan PRS-10 (Experimental) Partial Requirements Service Less Than 200 kW

A UniSource Energy Company

### AVAILABILITY

This Pricing Plan is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served and when all applicable provisions described herein have been met.

### APPLICABILITY

This Pricing Plan is applicable to any non-residential customer requiring partial requirements services, including backup energy, standby capacity, maintenance energy, or supplemental energy and capacity, in addition to regular electric requirements obtained from any service other than the Company. This Pricing Plan is applicable to customers with an aggregate partial requirements service load less than 200 kW. This Pricing Plan is not applicable to resale service or where on-site generation is used only during a utility outage.

### CHARACTER OF SERVICE

The service shall be single- or three-phase, 60 Hertz, at one standard nominal voltage as mutually agreed and subject to availability at the point of delivery. Primary metering may be used by mutual agreement between the Company and the Customer.

### BUNDLED PRICES

The total monthly bill will be the sum of the delivery charges plus the market-based generation charges.

### ***Delivery Charges – monthly***

	<u>Summer Billing Months</u> (May – October)	<u>Winter Billing Months</u> (November – April)
<b><u>Backup/Standby Service</u></b>		
Customer Charge	\$ 132.57124.90	\$ 132.57124.90
Standby Demand Charge per kW	\$ 8.8534	\$ 8.8534
Backup Energy Charge per kWh	\$ 0.0346142612	\$ 0.0261134602
<b><u>Supplemental Service</u></b>		
Demand Charge per kW	\$ 4.4347	\$ 4.4347
Energy Charge per kWh	\$ 0.07300168778	\$ 0.0550714885

### ***Market-based Generation Charges***

Generation-related charges will be billed at a monthly market-based price dependent upon time of day. The price will be based upon a modified Market Generation Credit mechanism plus an additional procurement charge of 10% of the total generation-related charges. See Schedule MGC-2 for details.

### ***Power Factor Adjustment***

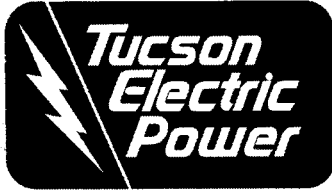
The above rate is subject to a discount or a charge of 1.3 cents per kW of billing demand for each 1% the average monthly power factor is above or below 90% lagging to a maximum discount of 13.0 cents per kW of billing demand per month.

### ***Three-phase Service***

An additional monthly charge of \$7.43 shall apply to customers receiving three-phase service.

Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Electric Service Area

Tariff No.: PRS-10 (Experimental)  
Effective: December 1, 2008  
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## Pricing Plan PRS-10 (Experimental) Partial Requirements Service Less Than 200 kW

A UniSource Energy Company

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### **Arizona Independent Scheduling Administrator (AISA) Charge**

A per kWh charge shall be applied for costs associated with the implementation of the AISA, or any FERC mandated Grid Management Organization, in Arizona, in accordance with the ACC or FERC approved charges for the service hereunder. Direct access customers will be billed this charge by their scheduling coordinator.

### **Minimum Bill**

The Minimum Bill for Backup/Standby Service is equal to the sum of the greater of the Minimum Contract Demand or the Backup/Standby Service Billing Demand times the Standby Demand Charge per kW plus the Backup/Standby Service Customer Charge per month.

The Minimum Bill for Supplemental Service is equal to the sum of the Minimum Bill for Backup/Standby Service plus the greater of the Minimum Contract Demand or the Supplemental Service Billing Demand times the Supplemental Demand Charge per kW.

### **TERMS AND CONDITIONS**

#### **1. Service Requirements**

This Pricing Plan consists of rates charged for two general types of service--Backup/Standby Service and Supplemental Service. The use of Backup/Standby Service occurs when the Customer's total generating resources covered under PRS-10 are unavailable, such as during forced generator outages (when the Customer's generator is not operational) and unforced or planned outages (when the Customer's generator requires maintenance). The use of Supplemental Service occurs when the Customer requires power in addition to that generated by the Customer to meet the Customer's total energy requirements.

The Customer may elect to take Backup/Standby service only, or Supplemental Service in addition to Backup/Standby service. However, when the Customer's Partial Requirements Usage Percentage (PRUP) in any given billing period exceeds 5%, the Customer's Energy Charge per kWh under Backup/Standby Service will be converted to the Energy Charge per kWh under Supplemental Service for all kilowatt-hours in excess of 5% for the billing period.

The PRUP is calculated as follows:

$$PRUP = \frac{\text{Backup Energy Purchased under Backup/Standby Service}}{\text{Billing Demand for Backup/Standby Service} \times \text{Hours in Billing Period}}$$

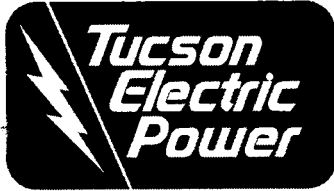
#### **2. Contract**

The Customer shall contract for a Term and a Minimum Contract Demand (for either Backup/Standby and Supplemental Service as applicable) and shall conform to all applicable interconnection requirements as mandated either by government or by the Company.

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Electric Service Area

Tariff No.: PRS-10 (Experimental)  
Effective: December 1, 2008  
Page No.: 2 of 4



## Pricing Plan PRS-10 (Experimental) Partial Requirements Service Less Than 200 kW

A UniSource Energy Company

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### 3. Direct Assignment of Interconnection Costs

Prior to construction, the Customer will advance to the Company the total amount of the estimated interconnection construction costs directly related to distribution and transmission service. For each of the first five years of metered use up to the amount of the advance, the Company will refund to the Customer 40% of the annual revenue received based on the unbundled charges under this tariff that are associated with the facilities installed (e.g. revenue from the distribution secondary charge for 13.8 kV facilities). The refund, without interest, will be made one month after each full year of service.

The Customer will furnish, install, and maintain incremental non-distribution system or non-transmission system equipment at his expense. The equipment must meet the standards of the Company's Electric Service Requirements.

#### ***Direct Assignment of Incremental Interconnection Costs***

In the event that either the fifteen (15) minute demand in the billing month or the maximum fifteen (15) minute demand in the preceding 23 billing months exceeds the Maximum Contract Demand and the Company must expand facilities to meet the additional load, the Customer shall pay for the cost of the incremental facilities.

### 4. Billing Demand

Backup/Standby Service and Supplemental Service have separate demand charges. For both services, the Billing Demand in any month is the greater of (i) the maximum fifteen (15) minute demand in that month or (ii) the maximum fifteen (15) minute demand in the preceding 23 billing months, or (iii) the Minimum Contract Demand as set forth by mutual agreement. The Minimum Contract Demand for Backup/Standby Service shall be based on the measured kW output of each generating unit at the time of the start-up test.

### 5. Additional Equipment

Service under this Pricing Plan shall require the appropriate interval metering equipment to allow identification of accurate inbound load flows from the Company. This equipment shall require a dedicated telephone line that is to be installed and maintained by the Customer.

#### DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

#### FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona.

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Electric Service Area

Tariff No.: PRS-10 (Experimental)  
Effective: December 1, 2008  
Page No.: 3 of 4



## **Pricing Plan PRS-10 (Experimental) Partial Requirements Service Less Than 200 kW**

A UniSource Energy Company

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### **TAX CLAUSE**

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

### **RULES AND REGULATIONS**

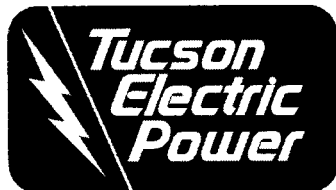
The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

### **ADDITIONAL NOTES**

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

### **RELATED SCHEDULE**

Schedule MGC-2 – Market Generation Credit (MGC) Calculation for Partial Requirements Services



**Pricing Plan PRS-13 (Experimental)  
Partial Requirements Service  
From 200 kW to Less Than 3,000 kW**

A UniSource Energy Company

**AVAILABILITY**

This Pricing Plan is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served and when all applicable provisions described herein have been met.

**APPLICABILITY**

This Pricing Plan is applicable to any non-residential customer requiring partial requirements services, including backup energy, standby capacity, maintenance energy, or supplemental energy and capacity, in addition to regular electric requirements obtained from any service other than the Company. This Pricing Plan is applicable to customers with an aggregate partial requirements service load from 200 kW to less than 3,000 kW. This Pricing Plan is not applicable to resale service or where on-site generation is used only during a utility outage.

**CHARACTER OF SERVICE**

The service shall be single- or three-phase, 60 Hertz, at one standard nominal voltage as mutually agreed and subject to availability at the point of delivery. Primary metering may be used by mutual agreement between the Company and the Customer.

**BUNDLED PRICES**

The total monthly bill will be the sum of the delivery charges plus the market-based generation charges.

***Delivery Charges – monthly***

	<b><u>Summer Billing Months</u></b> (May – October)	<b><u>Winter Billing Months</u></b> (November – April)
<b><u>Backup/Standby Service</u></b>		
Customer Charge (first 200 kW)	\$ <u>1,778.88</u> <del>1,675.88</del>	\$ <u>1,778.78</u> <del>1,675.88</del>
Standby Demand Charge (all additional kW)	\$ <u>4.74</u> <del>4.7</del>	\$ <u>4.744</u> <del>4.7</del>
Backup Energy Charge per kWh	\$ <u>0.011100</u> <del>0.011</del>	\$ <u>0.009082</u> <del>0.009</del>
<b><u>Supplemental Service</u></b>		
Demand Charge per kW	\$ <u>2.091</u> <del>2.09</del>	\$ <u>2.091</u> <del>2.09</del>
Energy Charge per kWh	\$ <u>0.055501</u> <del>0.0555</del>	\$ <u>0.045410</u> <del>0.0454</del>

***Market-based Generation Charges***

Generation-related charges will be billed at a monthly market-based price dependent upon time of day. The price will be based upon a modified Market Generation Credit mechanism plus an additional procurement charge of 10% of the total generation-related charges. See Schedule MGC-2 for details.

***Power Factor Adjustment***

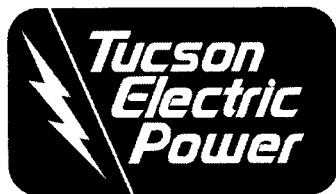
The above rate is subject to a discount or a charge of 1.3 cents per kW of billing demand for each 1% the average monthly power factor is above or below 90% lagging to a maximum discount of 13.0 cents per kW of billing demand per month.

***Three-phase Service***

An additional monthly charge of \$7.43 shall apply to customers receiving three-phase service.

Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Electric Service Area

Tariff No.: PRS-13 (Experimental)  
Effective: December 1, 2008  
Page No.: 1 of 4



## Pricing Plan PRS-13 (Experimental) Partial Requirements Service From 200 kW to Less Than 3,000 kW

A UniSource Energy Company

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### **Arizona Independent Scheduling Administrator (AISA) Charge**

A per kWh charge shall be applied for costs associated with the implementation of the AISA, or any FERC mandated Grid Management Organization, in Arizona, in accordance with the ACC or FERC approved charges for the service hereunder. Direct access customers will be billed this charge by their scheduling coordinator.

### **Minimum Bill**

The Minimum Bill for Backup/Standby Service is equal to the sum of the greater of the Minimum Contract Demand or the Backup/Standby Service Billing Demand times the Standby Demand Charge per kW plus the Backup/Standby Service Customer Charge per month.

The Minimum Bill for Supplemental Service is equal to the sum of the Minimum Bill for Backup/Standby Service plus the greater of the Minimum Contract Demand or the Supplemental Service Billing Demand times the Supplemental Demand Charge per kW.

## **TERMS AND CONDITIONS**

### **1. Service Requirements**

This Pricing Plan consists of rates charged for two general types of service--Backup/Standby Service and Supplemental Service. The use of Backup/Standby Service occurs when the Customer's total generating resources covered under PRS-13 are unavailable, such as during forced generator outages (when the Customer's generator is not operational) and unforced or planned outages (when the Customer's generator requires maintenance). The use of Supplemental Service occurs when the Customer requires power in addition to that generated by the Customer to meet the Customer's total energy requirements.

The Customer may elect to take Backup/Standby service only, or Supplemental Service in addition to Backup/Standby service. However, when the Customer's Partial Requirements Usage Percentage (PRUP) in any given billing period exceeds 5%, the Customer's Energy Charge per kWh under Backup/Standby Service will be converted to the Energy Charge per kWh under Supplemental Service for all kilowatt-hours in excess of 5% for the billing period.

The PRUP is calculated as follows:

$$PRUP = \frac{\text{Backup Energy Purchased under Backup/Standby Service}}{\text{Billing Demand for Backup/Standby Service} \times \text{Hours in Billing Period}}$$

### **2. Contract**

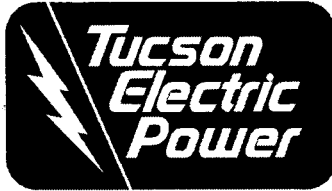
The Customer shall contract for a Term and a Minimum Contract Demand (for either Backup/Standby and Supplemental Service as applicable) and shall conform to all applicable interconnection requirements as mandated either by government or by the Company.

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Electric Service Area

Tariff No.: PRS-13 (Experimental)  
Effective: December 1, 2008  
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## Pricing Plan PRS-13 (Experimental) Partial Requirements Service From 200 kW to Less Than 3,000 kW

A UniSource Energy Company

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### 3. Direct Assignment of Interconnection Costs

Prior to construction, the Customer will advance to the Company the total amount of the estimated interconnection construction costs directly related to distribution and transmission service. For each of the first five years of metered use up to the amount of the advance, the Company will refund to the Customer 40% of the annual revenue received based on the unbundled charges under this tariff that are associated with the facilities installed (e.g. revenue from the distribution secondary charge for 13.8 kV facilities). The refund, without interest, will be made one month after each full year of service.

The Customer will furnish, install, and maintain incremental non-distribution system or non-transmission system equipment at his expense. The equipment must meet the standards of the Company's Electric Service Requirements.

#### ***Direct Assignment of Incremental Interconnection Costs***

In the event that either the fifteen (15) minute demand in the billing month or the maximum fifteen (15) minute demand in the preceding 23 billing months exceeds the Maximum Contract Demand and the Company must expand facilities to meet the additional load, the Customer shall pay for the cost of the incremental facilities.

### 4. Billing Demand

Backup/Standby Service and Supplemental Service have separate demand charges. For both services, the Billing Demand in any month is the greater of (i) the maximum fifteen (15) minute demand in that month or (ii) the maximum fifteen (15) minute demand in the preceding 23 billing months, or (iii) the Minimum Contract Demand as set forth by mutual agreement. The Minimum Contract Demand for Backup/Standby Service shall be based on the measured kW output of each generating unit at the time of the start-up test.

### 5. Additional Equipment

Service under this Pricing Plan shall require the appropriate interval metering equipment to allow identification of accurate inbound load flows from the Company. This equipment shall require a dedicated telephone line that is to be installed and maintained by the Customer.

#### DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

#### FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona.

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Electric Service Area

Tariff No.: PRS-13 (Experimental)  
Effective: December 1, 2008  
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**Pricing Plan PRS-13 (Experimental)  
Partial Requirements Service  
From 200 kW to Less Than 3,000 kW**

A UniSource Energy Company

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**TAX CLAUSE**

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

**RULES AND REGULATIONS**

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

**ADDITIONAL NOTES**

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

**RELATED SCHEDULE**

Schedule MGC-2 – Market Generation Credit (MGC) Calculation for Partial Requirements Services

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Electric Service Area

Tariff No.: PRS-13 (Experimental)  
Effective: December 1, 2008  
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**Pricing Plan PRS-14 (Experimental)  
Partial Requirements Service  
3,000 kW and Greater**

A UniSource Energy Company

**AVAILABILITY**

This Pricing Plan is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served and when all applicable provisions described herein have been met.

**APPLICABILITY**

This Pricing Plan is applicable to any non-residential customer requiring partial requirements services, including backup energy, standby capacity, maintenance energy, or supplemental energy and capacity, in addition to regular electric requirements obtained from any service other than the Company. This Pricing Plan is applicable to customers with an aggregate partial requirements service load of 3,000 kW and higher. This Pricing Plan is not applicable to resale service or where on-site generation is used only during a utility outage.

**CHARACTER OF SERVICE**

The service shall be three-phase, 60 Hertz, and shall be supplied directly from any 46,000 volt or higher voltage system through distribution facilities used exclusively to serve PRS-14 customers at a delivery voltage of not less than 2,400/4,160 volts and delivered at a single point of delivery unless otherwise specified in the contract.

**BUNDLED PRICES**

The total monthly bill will be the sum of delivery charges plus the market-based generation charges.

***Delivery Charges – monthly***

	<b><u>Summer Billing Months</u></b> (May – October)	<b><u>Winter Billing Months</u></b> (November – April)
<b><u>Backup/Standby Service</u></b>		
Standby Demand Charge per kW	\$ 4.764.48	\$ 4.764.48
Backup Energy Charge per kWh	\$ 0.0050534761	\$ 0.0038964135
<b><u>Supplemental Service</u></b>		
Demand Charge per kW	\$ 2.122.00	\$ 2.122.00
Energy Charge per kWh	\$ 0.0336921743	\$ 0.0275675972

***Market-based Generation Charges***

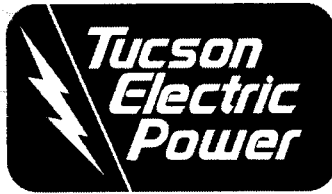
Generation-related charges will be billed at a monthly market-based price dependent upon time of day. The price will be based upon a modified Market Generation Credit mechanism plus an additional procurement charge of 10% of the total generation-related charges. See Schedule MGC-2 for details.

***Power Factor Adjustment***

The above rate is subject to a discount or a charge of 1.3 cents per kW of billing demand for each 1% the average monthly power factor is above or below 90% lagging to a maximum discount of 13.0 cents per kW of billing demand per month.

Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Electric Service Area

Tariff No.: PRS-14 (Experimental)  
Effective: December 1, 2008  
Page No.: 1 of 4



## Pricing Plan PRS-14 (Experimental) Partial Requirements Service 3,000 kW and Greater

A UniSource Energy Company

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### **Arizona Independent Scheduling Administrator (AISA) Charge**

A per kWh charge shall be applied for costs associated with the implementation of the AISA, or any FERC mandated Grid Management Organization, in Arizona, in accordance with the ACC or FERC approved charges for the service hereunder. Direct access customers will be billed this charge by their scheduling coordinator.

### **Minimum Bill**

The Minimum Bill for Backup/Standby Service is equal to the sum of the greater of the Minimum Contract Demand or the Backup/Standby Service Billing Demand times the Standby Demand Charge per kW plus the Backup/Standby Service Customer Charge per month.

The Minimum Bill for Supplemental Service is equal to the sum of the Minimum Bill for Backup/Standby Service plus the greater of the Minimum Contract Demand or the Supplemental Service Billing Demand times the Supplemental Demand Charge per kW.

## TERMS AND CONDITIONS

### **1. Service Requirements**

This Pricing Plan consists of rates charged for two general types of service--Backup/Standby Service and Supplemental Service. The use of Backup/Standby Service occurs when the Customer's total generating resources covered under PRS-14 are unavailable, such as during forced generator outages (when the Customer's generator is not operational) and unforced or planned outages (when the Customer's generator requires maintenance). The use of Supplemental Service occurs when the Customer requires power in addition to that generated by the Customer to meet the Customer's total energy requirements.

The Customer may elect to take Backup/Standby service only, or Supplemental Service in addition to Backup/Standby service. However, when the Customer's Partial Requirements Usage Percentage (PRUP) in any given billing period exceeds 5%, the Customer's Energy Charge per kWh under Backup/Standby Service will be converted to the Energy Charge per kWh under Supplemental Service for all kilowatt-hours in excess of 5% for the billing period.

The PRUP is calculated as follows:

$$PRUP = \frac{\text{Backup Energy Purchased under Backup/Standby Service}}{\text{Billing Demand for Backup/Standby Service} \times \text{Hours in Billing Period}}$$

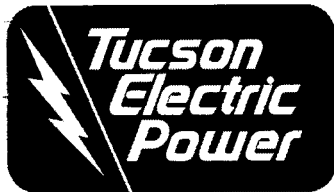
### **2. Contract**

The Customer shall contract for a Term, a Minimum Contract Demand (for either Backup/Standby and Supplemental Service as applicable), a Maximum Contract Demand (for either Backup/Standby and Supplemental Service as applicable), and shall conform to all applicable interconnection requirements as mandated either by government or by the Company.

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Electric Service Area

Tariff No.: PRS-14 (Experimental)  
Effective: December 1, 2008  
Page No.: 2 of 4



**Pricing Plan PRS-14 (Experimental)  
Partial Requirements Service  
3,000 kW and Greater**

A UniSource Energy Company

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**3. Direct Assignment of Interconnection Costs**

Prior to construction, the Customer will advance to the Company the total amount of the estimated interconnection construction costs directly related to distribution and transmission service. For each of the first five years of metered use up to the amount of the advance, the Company will refund to the Customer 40% of the annual revenue received based on the unbundled charges under this tariff that are associated with the facilities installed (e.g. revenue from the distribution secondary charge for 13.8 kV facilities). The refund, without interest, will be made one month after each full year of service.

The Customer will furnish, install, and maintain incremental non-distribution system or non-transmission system equipment at his expense. The equipment must meet the standards of the Company's Electric Service Requirements.

***Direct Assignment of Incremental Interconnection Costs***

In the event that either the fifteen (15) minute demand in the billing month or the maximum fifteen (15) minute demand in the preceding 23 billing months exceeds the Maximum Contract Demand and the Company must expand facilities to meet the additional load, the Customer shall pay for the cost of the incremental facilities.

**4. Billing Demand**

Backup/Standby Service and Supplemental Service have separate demand charges. For both services, the Billing Demand in any month is the greater of (i) the maximum fifteen (15) minute demand in that month or (ii) the maximum fifteen (15) minute demand in the preceding 23 billing months, or (iii) the Minimum Contract Demand as set forth by mutual agreement. The Minimum Contract Demand for Backup/Standby Service shall be based on the measured kW output of each generating unit at the time of the start-up test.

**5. Additional Equipment**

Service under this Pricing Plan shall require the appropriate interval metering equipment to allow identification of accurate inbound load flows from the Company. This equipment shall require a dedicated telephone line that is to be installed and maintained by the Customer.

**DIRECT ACCESS**

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

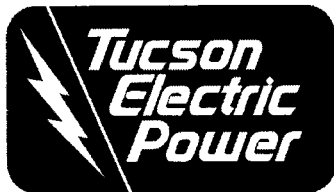
**FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE**

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona.

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Electric Service Area

Tariff No.: PRS-14 (Experimental)  
Effective: December 1, 2008  
Page No.: 3 of 4



**Pricing Plan PRS-14 (Experimental)  
Partial Requirements Service  
3,000 kW and Greater**

A UniSource Energy Company

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**TAX CLAUSE**

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

**RULES AND REGULATIONS**

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

**ADDITIONAL NOTES**

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

**RELATED SCHEDULE**

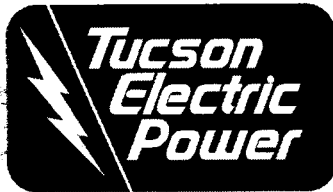
Schedule MGC-2 – Market Generation Credit (MGC) Calculation for Partial Requirements Services

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Electric Service Area

Tariff No.: PRS-14 (Experimental)  
Effective: December 1, 2008  
Page No.: 4 of 4

**CLEAN**



## Pricing Plan PRS-10 (Experimental) Partial Requirements Service Less Than 200 kW

A UniSource Energy Company

### AVAILABILITY

This Pricing Plan is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served and when all applicable provisions described herein have been met.

### APPLICABILITY

This Pricing Plan is applicable to any non-residential customer requiring partial requirements services, including backup energy, standby capacity, maintenance energy, or supplemental energy and capacity, in addition to regular electric requirements obtained from any service other than the Company. This Pricing Plan is applicable to customers with an aggregate partial requirements service load less than 200 kW. This Pricing Plan is not applicable to resale service or where on-site generation is used only during a utility outage.

### CHARACTER OF SERVICE

The service shall be single- or three-phase, 60 Hertz, at one standard nominal voltage as mutually agreed and subject to availability at the point of delivery. Primary metering may be used by mutual agreement between the Company and the Customer.

### BUNDLED PRICES

The total monthly bill will be the sum of the delivery charges plus the market-based generation charges.

### ***Delivery Charges – monthly***

	<b><u>Summer Billing Months</u></b> (May – October)	<b><u>Winter Billing Months</u></b> (November – April)
<b><u>Backup/Standby Service</u></b>		
Customer Charge	\$ 132.57	\$ 132.57
Standby Demand Charge per kW	\$ 8.85	\$ 8.85
Backup Energy Charge per kWh	\$ 0.034614	\$ 0.026113
<b><u>Supplemental Service</u></b>		
Demand Charge per kW	\$ 4.43	\$ 4.43
Energy Charge per kWh	\$ 0.073001	\$ 0.055071

### ***Market-based Generation Charges***

Generation-related charges will be billed at a monthly market-based price dependent upon time of day. The price will be based upon a modified Market Generation Credit mechanism plus an additional procurement charge of 10% of the total generation-related charges. See Schedule MGC-2 for details.

### ***Power Factor Adjustment***

The above rate is subject to a discount or a charge of 1.3 cents per kW of billing demand for each 1% the average monthly power factor is above or below 90% lagging to a maximum discount of 13.0 cents per kW of billing demand per month.

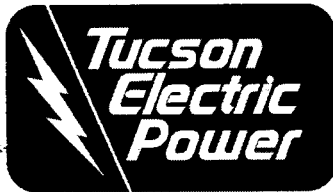
### ***Three-phase Service***

An additional monthly charge of \$7.43 shall apply to customers receiving three-phase service.

Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Electric Service Area

Tariff No.: PRS-10 (Experimental)  
Effective: December 1, 2008  
Page No.: 1 of 4





## Pricing Plan PRS-10 (Experimental) Partial Requirements Service Less Than 200 kW

A UniSource Energy Company

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### **Arizona Independent Scheduling Administrator (AISA) Charge**

A per kWh charge shall be applied for costs associated with the implementation of the AISA, or any FERC mandated Grid Management Organization, in Arizona, in accordance with the ACC or FERC approved charges for the service hereunder. Direct access customers will be billed this charge by their scheduling coordinator.

### **Minimum Bill**

The Minimum Bill for Backup/Standby Service is equal to the sum of the greater of the Minimum Contract Demand or the Backup/Standby Service Billing Demand times the Standby Demand Charge per kW plus the Backup/Standby Service Customer Charge per month.

The Minimum Bill for Supplemental Service is equal to the sum of the Minimum Bill for Backup/Standby Service plus the greater of the Minimum Contract Demand or the Supplemental Service Billing Demand times the Supplemental Demand Charge per kW.

### **TERMS AND CONDITIONS**

#### **1. Service Requirements**

This Pricing Plan consists of rates charged for two general types of service--Backup/Standby Service and Supplemental Service. The use of Backup/Standby Service occurs when the Customer's total generating resources covered under PRS-10 are unavailable, such as during forced generator outages (when the Customer's generator is not operational) and unforced or planned outages (when the Customer's generator requires maintenance). The use of Supplemental Service occurs when the Customer requires power in addition to that generated by the Customer to meet the Customer's total energy requirements.

The Customer may elect to take Backup/Standby service only, or Supplemental Service in addition to Backup/Standby service. However, when the Customer's Partial Requirements Usage Percentage (PRUP) in any given billing period exceeds 5%, the Customer's Energy Charge per kWh under Backup/Standby Service will be converted to the Energy Charge per kWh under Supplemental Service for all kilowatt-hours in excess of 5% for the billing period.

The PRUP is calculated as follows:

$$PRUP = \frac{\text{Backup Energy Purchased under Backup/Standby Service}}{\text{Billing Demand for Backup/Standby Service} \times \text{Hours in Billing Period}}$$

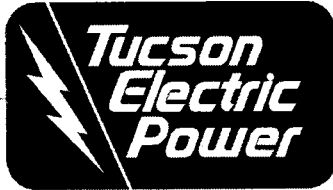
#### **2. Contract**

The Customer shall contract for a Term and a Minimum Contract Demand (for either Backup/Standby and Supplemental Service as applicable) and shall conform to all applicable interconnection requirements as mandated either by government or by the Company.

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Electric Service Area

Tariff No.: PRS-10 (Experimental)  
Effective: December 1, 2008  
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## Pricing Plan PRS-10 (Experimental) Partial Requirements Service Less Than 200 kW

A UniSource Energy Company

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### 3. Direct Assignment of Interconnection Costs

Prior to construction, the Customer will advance to the Company the total amount of the estimated interconnection construction costs directly related to distribution and transmission service. For each of the first five years of metered use up to the amount of the advance, the Company will refund to the Customer 40% of the annual revenue received based on the unbundled charges under this tariff that are associated with the facilities installed (e.g. revenue from the distribution secondary charge for 13.8 kV facilities). The refund, without interest, will be made one month after each full year of service.

The Customer will furnish, install, and maintain incremental non-distribution system or non-transmission system equipment at his expense. The equipment must meet the standards of the Company's Electric Service Requirements.

#### ***Direct Assignment of Incremental Interconnection Costs***

In the event that either the fifteen (15) minute demand in the billing month or the maximum fifteen (15) minute demand in the preceding 23 billing months exceeds the Maximum Contract Demand and the Company must expand facilities to meet the additional load, the Customer shall pay for the cost of the incremental facilities.

### 4. Billing Demand

Backup/Standby Service and Supplemental Service have separate demand charges. For both services, the Billing Demand in any month is the greater of (i) the maximum fifteen (15) minute demand in that month or (ii) the maximum fifteen (15) minute demand in the preceding 23 billing months, or (iii) the Minimum Contract Demand as set forth by mutual agreement. The Minimum Contract Demand for Backup/Standby Service shall be based on the measured kW output of each generating unit at the time of the start-up test.

### 5. Additional Equipment

Service under this Pricing Plan shall require the appropriate interval metering equipment to allow identification of accurate inbound load flows from the Company. This equipment shall require a dedicated telephone line that is to be installed and maintained by the Customer.

#### DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

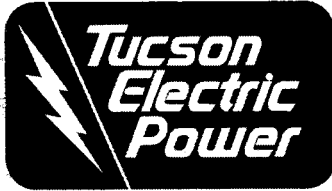
#### FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona.

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Electric Service Area

Tariff No.: PRS-10 (Experimental)  
Effective: December 1, 2008  
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## Pricing Plan PRS-10 (Experimental) Partial Requirements Service Less Than 200 kW

A UniSource Energy Company

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### TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

### RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

### ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

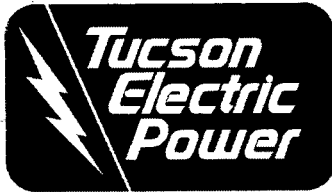
### RELATED SCHEDULE

Schedule MGC-2 – Market Generation Credit (MGC) Calculation for Partial Requirements Services

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Electric Service Area

Tariff No.: PRS-10 (Experimental)  
Effective: December 1, 2008  
Page No.: 4 of 4



**Pricing Plan PRS-13 (Experimental)  
Partial Requirements Service  
From 200 kW to Less Than 3,000 kW**

A UniSource Energy Company

**AVAILABILITY**

This Pricing Plan is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served and when all applicable provisions described herein have been met.

**APPLICABILITY**

This Pricing Plan is applicable to any non-residential customer requiring partial requirements services, including backup energy, standby capacity, maintenance energy, or supplemental energy and capacity, in addition to regular electric requirements obtained from any service other than the Company. This Pricing Plan is applicable to customers with an aggregate partial requirements service load from 200 kW to less than 3,000 kW. This Pricing Plan is not applicable to resale service or where on-site generation is used only during a utility outage.

**CHARACTER OF SERVICE**

The service shall be single- or three-phase, 60 Hertz, at one standard nominal voltage as mutually agreed and subject to availability at the point of delivery. Primary metering may be used by mutual agreement between the Company and the Customer.

**BUNDLED PRICES**

The total monthly bill will be the sum of the delivery charges plus the market-based generation charges.

***Delivery Charges – monthly***

	<b><u>Summer Billing Months</u></b> (May – October)	<b><u>Winter Billing Months</u></b> (November – April)
<b><u>Backup/Standby Service</u></b>		
Customer Charge (first 200 kW)	\$ 1,778.88	\$ 1,778.78
Standby Demand Charge (all additional kW)	\$ 4.74	\$ 4.74
Backup Energy Charge per kWh	\$ 0.011100	\$ 0.009082
<b><u>Supplemental Service</u></b>		
Demand Charge per kW	\$ 2.09	\$ 2.09
Energy Charge per kWh	\$ 0.055501	\$ 0.045410

***Market-based Generation Charges***

Generation-related charges will be billed at a monthly market-based price dependent upon time of day. The price will be based upon a modified Market Generation Credit mechanism plus an additional procurement charge of 10% of the total generation-related charges. See Schedule MGC-2 for details.

***Power Factor Adjustment***

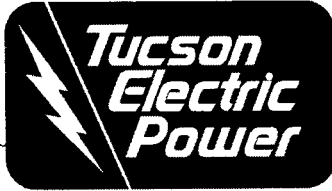
The above rate is subject to a discount or a charge of 1.3 cents per kW of billing demand for each 1% the average monthly power factor is above or below 90% lagging to a maximum discount of 13.0 cents per kW of billing demand per month.

***Three-phase Service***

An additional monthly charge of \$7.43 shall apply to customers receiving three-phase service.

Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Electric Service Area

Tariff No.: PRS-13 (Experimental)  
Effective: December 1, 2008  
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## Pricing Plan PRS-13 (Experimental) Partial Requirements Service From 200 kW to Less Than 3,000 kW

A UniSource Energy Company

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### **Arizona Independent Scheduling Administrator (AISA) Charge**

A per kWh charge shall be applied for costs associated with the implementation of the AISA, or any FERC mandated Grid Management Organization, in Arizona, in accordance with the ACC or FERC approved charges for the service hereunder. Direct access customers will be billed this charge by their scheduling coordinator.

### **Minimum Bill**

The Minimum Bill for Backup/Standby Service is equal to the sum of the greater of the Minimum Contract Demand or the Backup/Standby Service Billing Demand times the Standby Demand Charge per kW plus the Backup/Standby Service Customer Charge per month.

The Minimum Bill for Supplemental Service is equal to the sum of the Minimum Bill for Backup/Standby Service plus the greater of the Minimum Contract Demand or the Supplemental Service Billing Demand times the Supplemental Demand Charge per kW.

## **TERMS AND CONDITIONS**

### **1. Service Requirements**

This Pricing Plan consists of rates charged for two general types of service--Backup/Standby Service and Supplemental Service. The use of Backup/Standby Service occurs when the Customer's total generating resources covered under PRS-13 are unavailable, such as during forced generator outages (when the Customer's generator is not operational) and unforced or planned outages (when the Customer's generator requires maintenance). The use of Supplemental Service occurs when the Customer requires power in addition to that generated by the Customer to meet the Customer's total energy requirements.

The Customer may elect to take Backup/Standby service only, or Supplemental Service in addition to Backup/Standby service. However, when the Customer's Partial Requirements Usage Percentage (PRUP) in any given billing period exceeds 5%, the Customer's Energy Charge per kWh under Backup/Standby Service will be converted to the Energy Charge per kWh under Supplemental Service for all kilowatt-hours in excess of 5% for the billing period.

The PRUP is calculated as follows:

$$PRUP = \frac{\text{Backup Energy Purchased under Backup/Standby Service}}{\text{Billing Demand for Backup/Standby Service} \times \text{Hours in Billing Period}}$$

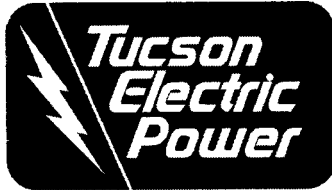
### **2. Contract**

The Customer shall contract for a Term and a Minimum Contract Demand (for either Backup/Standby and Supplemental Service as applicable) and shall conform to all applicable interconnection requirements as mandated either by government or by the Company.

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Electric Service Area

Tariff No.: PRS-13 (Experimental)  
Effective: December 1, 2008  
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**Pricing Plan PRS-13 (Experimental)  
Partial Requirements Service  
From 200 kW to Less Than 3,000 kW**

A UniSource Energy Company

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**3. Direct Assignment of Interconnection Costs**

Prior to construction, the Customer will advance to the Company the total amount of the estimated interconnection construction costs directly related to distribution and transmission service. For each of the first five years of metered use up to the amount of the advance, the Company will refund to the Customer 40% of the annual revenue received based on the unbundled charges under this tariff that are associated with the facilities installed (e.g. revenue from the distribution secondary charge for 13.8 kV facilities). The refund, without interest, will be made one month after each full year of service.

The Customer will furnish, install, and maintain incremental non-distribution system or non-transmission system equipment at his expense. The equipment must meet the standards of the Company's Electric Service Requirements.

***Direct Assignment of Incremental Interconnection Costs***

In the event that either the fifteen (15) minute demand in the billing month or the maximum fifteen (15) minute demand in the preceding 23 billing months exceeds the Maximum Contract Demand and the Company must expand facilities to meet the additional load, the Customer shall pay for the cost of the incremental facilities.

**4. Billing Demand**

Backup/Standby Service and Supplemental Service have separate demand charges. For both services, the Billing Demand in any month is the greater of (i) the maximum fifteen (15) minute demand in that month or (ii) the maximum fifteen (15) minute demand in the preceding 23 billing months, or (iii) the Minimum Contract Demand as set forth by mutual agreement. The Minimum Contract Demand for Backup/Standby Service shall be based on the measured kW output of each generating unit at the time of the start-up test.

**5. Additional Equipment**

Service under this Pricing Plan shall require the appropriate interval metering equipment to allow identification of accurate inbound load flows from the Company. This equipment shall require a dedicated telephone line that is to be installed and maintained by the Customer.

**DIRECT ACCESS**

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

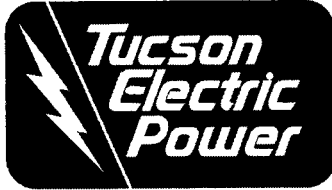
**FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE**

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona.

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Electric Service Area

Tariff No.: PRS-13 (Experimental)  
Effective: December 1, 2008  
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**Pricing Plan PRS-13 (Experimental)  
Partial Requirements Service  
From 200 kW to Less Than 3,000 kW**

A UniSource Energy Company

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**TAX CLAUSE**

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

**RULES AND REGULATIONS**

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

**ADDITIONAL NOTES**

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

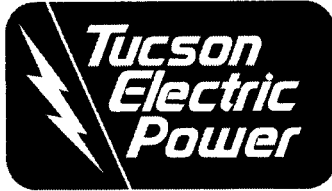
**RELATED SCHEDULE**

Schedule MGC-2 – Market Generation Credit (MGC) Calculation for Partial Requirements Services

---

Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Electric Service Area

Tariff No.: PRS-13 (Experimental)  
Effective: December 1, 2008  
Page No.: 4 of 4



**Pricing Plan PRS-14 (Experimental)  
Partial Requirements Service  
3,000 kW and Greater**

A UniSource Energy Company

**AVAILABILITY**

This Pricing Plan is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served and when all applicable provisions described herein have been met.

**APPLICABILITY**

This Pricing Plan is applicable to any non-residential customer requiring partial requirements services, including backup energy, standby capacity, maintenance energy, or supplemental energy and capacity, in addition to regular electric requirements obtained from any service other than the Company. This Pricing Plan is applicable to customers with an aggregate partial requirements service load of 3,000 kW and higher. This Pricing Plan is not applicable to resale service or where on-site generation is used only during a utility outage.

**CHARACTER OF SERVICE**

The service shall be three-phase, 60 Hertz, and shall be supplied directly from any 46,000 volt or higher voltage system through distribution facilities used exclusively to serve PRS-14 customers at a delivery voltage of not less than 2,400/4,160 volts and delivered at a single point of delivery unless otherwise specified in the contract.

**BUNDLED PRICES**

The total monthly bill will be the sum of delivery charges plus the market-based generation charges.

***Delivery Charges – monthly***

	<b><u>Summer Billing Months</u></b> (May – October)	<b><u>Winter Billing Months</u></b> (November – April)
<b><u>Backup/Standby Service</u></b>		
Standby Demand Charge per kW	\$ 4.76	\$ 4.76
Backup Energy Charge per kWh	\$ 0.005053	\$ 0.004135
<b><u>Supplemental Service</u></b>		
Demand Charge per kW	\$ 2.12	\$ 2.12
Energy Charge per kWh	\$ 0.033692	\$ 0.027567

***Market-based Generation Charges***

Generation-related charges will be billed at a monthly market-based price dependent upon time of day. The price will be based upon a modified Market Generation Credit mechanism plus an additional procurement charge of 10% of the total generation-related charges. See Schedule MGC-2 for details.

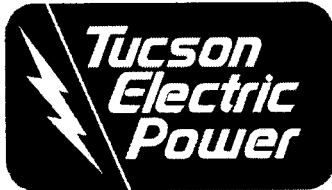
***Power Factor Adjustment***

The above rate is subject to a discount or a charge of 1.3 cents per kW of billing demand for each 1% the average monthly power factor is above or below 90% lagging to a maximum discount of 13.0 cents per kW of billing demand per month.

Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Electric Service Area

Tariff No.: PRS-14 (Experimental)  
Effective: December 1, 2008  
Page No.: 1 of 4





**Pricing Plan PRS-14 (Experimental)  
Partial Requirements Service  
3,000 kW and Greater**

A UniSource Energy Company

**Arizona Independent Scheduling Administrator (AISA) Charge**

A per kWh charge shall be applied for costs associated with the implementation of the AISA, or any FERC mandated Grid Management Organization, in Arizona, in accordance with the ACC or FERC approved charges for the service hereunder. Direct access customers will be billed this charge by their scheduling coordinator.

**Minimum Bill**

The Minimum Bill for Backup/Standby Service is equal to the sum of the greater of the Minimum Contract Demand or the Backup/Standby Service Billing Demand times the Standby Demand Charge per kW plus the Backup/Standby Service Customer Charge per month.

The Minimum Bill for Supplemental Service is equal to the sum of the Minimum Bill for Backup/Standby Service plus the greater of the Minimum Contract Demand or the Supplemental Service Billing Demand times the Supplemental Demand Charge per kW.

**TERMS AND CONDITIONS**

**1. Service Requirements**

This Pricing Plan consists of rates charged for two general types of service--Backup/Standby Service and Supplemental Service. The use of Backup/Standby Service occurs when the Customer's total generating resources covered under PRS-14 are unavailable, such as during forced generator outages (when the Customer's generator is not operational) and unforced or planned outages (when the Customer's generator requires maintenance). The use of Supplemental Service occurs when the Customer requires power in addition to that generated by the Customer to meet the Customer's total energy requirements.

The Customer may elect to take Backup/Standby service only, or Supplemental Service in addition to Backup/Standby service. However, when the Customer's Partial Requirements Usage Percentage (PRUP) in any given billing period exceeds 5%, the Customer's Energy Charge per kWh under Backup/Standby Service will be converted to the Energy Charge per kWh under Supplemental Service for all kilowatt-hours in excess of 5% for the billing period.

The PRUP is calculated as follows:

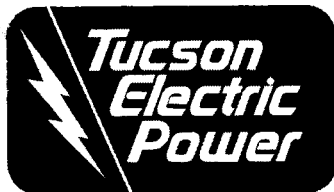
$$PRUP = \frac{\text{Backup Energy Purchased under Backup/Standby Service}}{\text{Billing Demand for Backup/Standby Service} \times \text{Hours in Billing Period}}$$

**2. Contract**

The Customer shall contract for a Term, a Minimum Contract Demand (for either Backup/Standby and Supplemental Service as applicable), a Maximum Contract Demand (for either Backup/Standby and Supplemental Service as applicable), and shall conform to all applicable interconnection requirements as mandated either by government or by the Company.

Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Electric Service Area

Tariff No.: PRS-14 (Experimental)  
Effective: December 1, 2008  
Page No.: 2 of 4



**Pricing Plan PRS-14 (Experimental)  
Partial Requirements Service  
3,000 kW and Greater**

A UniSource Energy Company

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**3. Direct Assignment of Interconnection Costs**

Prior to construction, the Customer will advance to the Company the total amount of the estimated interconnection construction costs directly related to distribution and transmission service. For each of the first five years of metered use up to the amount of the advance, the Company will refund to the Customer 40% of the annual revenue received based on the unbundled charges under this tariff that are associated with the facilities installed (e.g. revenue from the distribution secondary charge for 13.8 kV facilities). The refund, without interest, will be made one month after each full year of service.

The Customer will furnish, install, and maintain incremental non-distribution system or non-transmission system equipment at his expense. The equipment must meet the standards of the Company's Electric Service Requirements.

***Direct Assignment of Incremental Interconnection Costs***

In the event that either the fifteen (15) minute demand in the billing month or the maximum fifteen (15) minute demand in the preceding 23 billing months exceeds the Maximum Contract Demand and the Company must expand facilities to meet the additional load, the Customer shall pay for the cost of the incremental facilities.

**4. Billing Demand**

Backup/Standby Service and Supplemental Service have separate demand charges. For both services, the Billing Demand in any month is the greater of (i) the maximum fifteen (15) minute demand in that month or (ii) the maximum fifteen (15) minute demand in the preceding 23 billing months, or (iii) the Minimum Contract Demand as set forth by mutual agreement. The Minimum Contract Demand for Backup/Standby Service shall be based on the measured kW output of each generating unit at the time of the start-up test.

**5. Additional Equipment**

Service under this Pricing Plan shall require the appropriate interval metering equipment to allow identification of accurate inbound load flows from the Company. This equipment shall require a dedicated telephone line that is to be installed and maintained by the Customer.

**DIRECT ACCESS**

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

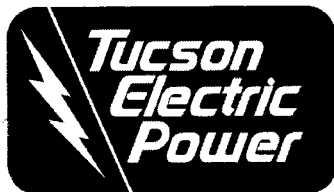
**FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE**

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona.

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Filed By: Raymond S. Heyman  
Title: Senior Vice President, General Counsel  
District: Entire Electric Service Area

Tariff No.: PRS-14 (Experimental)  
Effective: December 1, 2008  
Page No.: 3 of 4



**Pricing Plan PRS-14 (Experimental)  
Partial Requirements Service  
3,000 kW and Greater**

A UniSource Energy Company

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**TAX CLAUSE**

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

**RULES AND REGULATIONS**

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

**ADDITIONAL NOTES**

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

**RELATED SCHEDULE**

Schedule MGC-2 – Market Generation Credit (MGC) Calculation for Partial Requirements Services

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Tariff No.: PRS-14 (Experimental)  
Effective: December 1, 2008  
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